



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Special Agent in Charge Kathy A. Enstrom*

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### **COLUMBUS BUSINESS OWNER PLEADS GUILTY TO FAILING TO PAY OVER EMPLOYMENT TAXES**

COLUMBUS – Paul R. Taylor, Jr., 59, of Columbus, Ohio, pleaded guilty in U.S. District Court today to one count of willful failure to account for and pay over employment taxes.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office, announced the plea entered into today before U.S. District Judge Gregory L. Frost.

According to court documents, Taylor is the owner and operator of inter-related business entities in the construction development management industry.

One of Taylor's entities, Kingston, LLC ("Kingston"), engaged in the practice of withholding employment taxes from employees and then failing to remit payment to the IRS. This entity was under Taylor's sole control. In addition to Kingston, Taylor was also a responsible party for another entity that engaged in a similar practice in place of failing to remit payment of employment taxes to the IRS.

As of 2006, this other entity had accrued substantial employment tax liabilities. Taylor stopped operations at this entity. Kingston absorbed its assets and employees, but not its employment tax liabilities.

Beginning in 2006, Taylor set up Kingston as a "back office support" for his numerous other entities. Taylor leased Kingston's employees to his other entities in return for payments to be made at his discretion. The company had no assets upon which to pay the employment tax liabilities. The amounts that Taylor withheld from his employees were never remitted to the IRS.

The total tax loss in this case for the unpaid employment taxes for the 2002 through 2011 income tax years is \$1,576,750.29, which Taylor has agreed to be personally responsible for and pay.

Failure to account for and pay over employment taxes is a crime punishable by up to five years in prison and a \$250,000 fine.

"Corporate executives have a responsibility to withhold income taxes for their employees and then remit those taxes to the Internal Revenue Service," said Kathy A. Enstrom, Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office. "The failure to pay over withheld taxes is a serious offense.

IRS Criminal Investigation vigorously pursues anyone who collects taxes and fails to timely remit those taxes."

This case is being prosecuted by Assistant United States Attorney Peter Glenn-Applegate and was investigated by special agents of IRS-Criminal Investigation.

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